air quality, and related resource concerns, will be used in EQIP implementation:

- (1) Reductions of nonpoint source pollution, such as nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with total maximum daily loads (TMDLs) where available; the reduction of surface and groundwater contamination; and the reduction of contamination from agricultural point sources, such as concentrated animal feeding operations;
- (2) Conservation of ground and surface water resources;
- (3) Reduction of emissions, such as particulate matter, nitrogen oxides, volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards;
- (4) Reduction in soil erosion and sedimentation from unacceptable levels on agricultural land; and
- (5) Promotion of at-risk species habitat conservation.
- (b) In consultation with other Federal agencies, NRCS will undertake periodic reviews of the national priorities and the effects of program delivery at the State and local level to adapt the program to address emerging resource issues. NRCS will:
- (1) Use the national priorities to guide the allocation of EQIP funds to the NRCS State offices,
- (2) Use the national priorities in conjunction with State and local priorities to assist with prioritization and selection of EQIP applications, and
- (3) Periodically review and update the national priorities utilizing input from the public and affected stakeholders to ensure that the program continues to address priority resource concerns.

§1466.5 National allocation and management.

The Chief allocates EQIP funds to the State Conservationists to implement EQIP at the State and local level. In order to optimize the overall environmental benefits over the program duration, the Chief will:

(a) Use an EQIP fund allocation formula that reflects national priorities and that uses available natural re-

source and resource concerns data to distribute funds to the State level. This procedure will be updated periodically to reflect adjustments to national priorities and information about resource concerns and program performance. The data used in the allocation formula will be updated as they become available.

- (b) Provide a performance incentive to NRCS in States that demonstrate a high level of program accomplishment in implementing EQIP. The Chief shall consider factors such as strategically planning EQIP implementation, effectively addressing national priorities and measures, State and local resource concerns, the program delivery effectiveness, the use of TSPs, and the number of contracts with historically underserved producers.
- (c) Establish State level EQIP performance goals based on national, regional, and State priorities.
- (d) Ensure that national, State and local level information regarding program implementation such as resource priorities, eligible practices, ranking processes, payment schedules, fund allocation, and program achievements are made available to the public.
- (e) Consult with other Federal agencies with the appropriate expertise and information when evaluating the considerations described in this section.
- (f) Authorize the State Conservationist, with advice from the State Technical Committee and local working groups, to determine how funds will be used and how the program will be administered to achieve national priorities in each State.
- (g) Utilize assessment, evaluation, and accountability procedures based on actual natural resource and environmental outcomes and results.

§ 1466.6 State allocation and management.

The State Conservationist will:

(a) Identify State priority resource concerns, with the advice of the State Technical Committee, which directly contribute toward meeting national priorities and measures, and will use NRCS's accountability system and other accountability tools to establish local level goals and treatment objectives: